GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:647
ANSWERED ON:28.07.2006
FRAUD IN FINANCIAL INSTITUTIONS
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Will the Minister of FINANCE be pleased to state:

(a) the number of frauds in Financial Institutions Came to light during the last one year ;

(b) the details of all the said cases and the amount involved therein;

(c) whether the Government has formulated any scheme to check such frauds and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Reserve Bank of India (RBI) has reported that no fraud case has been reported by any of the Financial Institutions (FIs) during the last One year.

(b) Does not arise.

(c) & (d) RBI as a part of its ongoing mechanism to m`onitor frauds takes necessary measures with a view to arresting their occurrence in the Financial Institutions.RBI has advised FIs to review their internal vigilance machinery and remove the loopholes, if any and examine staff accountability within the prescritJI9d time limit. RBI also issues caution advices to FIs regarding unscrupulous borrooers and related parties who have perpetrated frauds so that Fis could exercise Caution while dealing with them.